

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. G 02-42
)	
Standard Insurance Company)	
)	
Authorized Foreign Insurer)	FINDINGS, CONCLUSIONS, AND
)	
)	ORDER ADOPTING REPORT
)	
)	OF
)	
)	MARKET CONDUCT EXAMINATION

BACKGROUND

An examination of the market conduct of **Standard Insurance Company** (the Company) as of September 30, 2001, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a mutual insurer. It is domiciled in Oregon. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for comments on May 29, 2002. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 25 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Standard Insurance Company**, and to order the Company to take the actions described in the Instructions, and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 18.

1. The Company is ordered to respond to all inquiries from the Office of Insurance Commissioner within 15 business days of receipt of the correspondence. All responses must contain the substantial information requested by the OIC. Reference: WAC 284-30-360(2), WAC 284-30-650, Technical Advisory T 98-4 (Instruction 1, Page 18)
2. The Company is ordered to cease the use of white out on applications. The Company is instructed to assure any alterations to an application are initialed and dated by the applicant and the Company. Reference: RCW 48.18.070 (Instruction 2, Page 18)
3. It is ordered that the Company thoroughly review all applications and amendments to assure signatures are present. Reference: RCW 48.18.060 (Recommendation 1, Page 18)
4. It is ordered that the Company pay or deny all claims within 15 working days after receipt of properly executed proofs of loss. Reference: WAC 284-30-380(1) (Recommendation 2, Page 18)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Tumwater, Washington, this 17th day of September, 2002.

MIKE KREIDLER
Insurance Commissioner